

Message Text

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PAGE 01 JAKART 00328 071103Z

ACTION EB-07

INFO OCT-01 EA-09 ISO-00 AGRE-00 CEA-01 CIAE-00 COME-00

DODE-00 FRB-01 H-02 INR-07 INT-05 L-03 LAB-04 NSAE-00

NSC-05 PA-02 AID-05 CIEP-02 SS-15 STR-04 ITC-01

TRSE-00 USIA-15 PRS-01 SP-02 OMB-01 FEA-01 /094 W

-----071109Z 102048 /17

R 070934Z JAN 77

FM AMEMBASSY JAKARTA

TO SECSTATE WASHDC 8591

UNCLAS JAKARTA 00328

E.O.11652: N/A

TAGS: EAGR,ETRD,ID

SUBJ: COFFEE PRICES

REF: A) 76 STATE 302391, B) 76 JAKARTA 2689

1. SUMMARY: INDONESIAN DOMESTIC COFFEE PRICES HAVE RISEN MARKEDLY SINCE LAST REPORTED IN FEBRUARY. AS PART OF OVERALL EXPORT PROMOTION PACKAGE, GOI REDUCED TAXES ON COFFEE EXPORTS EFFECTIVE APRIL 1, 1976.

2. DOMESTIC COFFEE PRICES: RETAIL TRADE IS DOMINATED BY MARKETS WHERE SALES ARE PRECEDED BY HAGGLING, THEREFORE IT IS HARD TOQUOTE PRECISE PRICES. NEVERTHELESS, THE DEPARTMENT OF TRADE REPORTS ROBUSTA RETAILED IN JAKARTA AT 1125 RUPIAH/KILO AND ARABICA RPS.1250/KILO IN DECEMBER, 1976, (US\$1.00 - 415 RUPIAH) COMPARED TO 550 AND 750, RESPECTIVELY LAST JANUARY. DEPARTMENT ESTIMATES THAT PRODUCERS GET ABOUT 60 PERCENT OF RETAIL PRICE. PRICES PAID BY DOMESTIC ROASTERS PROCESSORS NOT RPT NOT AVAILABLE.

3. AS PART OF AN OVERALL EXPORT PROMOTION PACKAGE, GOI REDUCED TAXES ON COFFEE EXPORTS EFFECTIVE
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PAGE 02 JAKART 00328 071103Z

APRIL 1, 1976. THE EXPORT DUTY WAS REDUCED FROM 10 PERCENT TO 5 PERCENT AND A FEE OF RPS 2/KILO FOR THE COFFEE REHABILITATION FUND AND AN EXPORT "CESS" OF RPS 7.5/KILO WERE ABOLISHED OUTRIGHT. IN ADDITION, THE INTEREST ON EXPORT CREDIT WAS REDUCED FROM 18 PERCENT TO 12 PERCENT. THE PRICE ASSIGNED BY CUSTOMS ON WHICH THE EXPORT TAX IS LEVIED HAS RISEN WITH THE

WORLD MARKET AND HAS BEEN SET AT:

	ROBUSTA	ARABICA
OCT.1- NOV.21,1976	US\$1.90/KILO	US\$2.50/KILO
NOV.22- DEC.31,1976	2.50	3.25
JAN.1-MAR. 31,1977	3.00	3.90

4. ON MAY 1, 1976, THE GOI ALLOWED PRIVATE RETAILERS TO RE-ENTER THE FERTILIZER MARKET, GIVING FARMERS AN ALTERNATIVE TO THE GOVERNMENT BUUD/KUD DISTRIBUTION SYSTEM. AT THE SAME TIME, THE TWO TIER PRICE SYSTEM FOR UREA WAS ABOLISHED. FORMERLY, BIMAS RICE FARMERS COULD BUY UREA AT RP.80/KILO WHILE ALL OTHER FARMERS, INCLUDING COFFEE PLANTERS, HAD TO PAY RP.120.ON MAY 1 THE UNIFIED PRICE WAS SET AT RP.80 AND SINCE HAS BEEN LOWERED TO RP.70.

5. THE DEPARTMENT OF TRADE PLANS TO PUT INTO EFFECT NEW STANDARD AND QUALITY CONTROLS IN THE NEAR FUTURE.
NEWSOM

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: COFFEE, ECONOMIC CONDITIONS, PRICES
Control Number: n/a
Copy: SINGLE
Sent Date: 07-Jan-1977 12:00:00 am
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Decaption Note:
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Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Legacy Key: link1977/newtext/t19770172/aaaacldw.tel
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Litigation History:
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SAS ID: 3646610
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Status: NATIVE
Subject: COFFEE PRICES
TAGS: EAGR, ETRD, ID
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/ef9930dc-c288-dd11-92da-001cc4696bcc
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